

# Fire Department Collaboration and Consolidation Efforts in the State of Michigan

Plante & Moran, PLLC  
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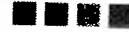
## Agenda

- Introduction
- Background
- Southeast Oakland County Study
- Downriver Community Conference Study
- Success Stories
- Lessons Learned
- In Conclusion



## Introduction - Plante & Moran

- Founded in 1924
- 12<sup>th</sup> largest certified public accounting and management consulting firm in the nation, with the majority of offices in Michigan, Ohio and Illinois
- Approximately 1,600 staff members, including 200 partners and directors
- Over 50 years of involvement in serving governmental clients
- Extensive experience and commitment to all levels of government and related government entities including local, county, and state



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## Introduction - Practice Area

- Government Operations Practice Area
- Specialize in crafting "solutions" for government
- In recent years have been spending a lot of time analyzing consolidation options for government across many service provisions, including:
  - Fire Service
  - Dispatch Operations
  - Police Service
  - Transportation
  - Libraries



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## Introduction - Staff

### ■ Adam Rujan, Partner

- 20+ years experience in government consulting
- Partner in charge of firm's Governmental consulting practice
- Significant experience in government consolidation and collaboration efforts
- Personally involved in key projects
- GFOA member, former MGFOA board member

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## Introduction - Staff

### ■ Christine Andrysiak, Manager

- 17+ years of operations experience, with 10 in government
- Significant experience in government consolidation and collaboration efforts
- Personally involved in key projects
- Industrial Engineer with an MBA
- Member of the Michigan Local Government Managers Association

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## Background

### ■ Not a New Concept

- Communities have been working together for years
- In rural regions, communities have combined finances to purchase large equipment, e.g., fire equipment
- In urban areas, some services are provided to multiple communities, e.g., libraries, school districts, water/sewer

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## Background

### ■ Financial Value in Cooperation

- Economies of scale exist in many governmental service offerings
- Reduced costs and maintained or improved service levels through:
  - Removal of municipal boundaries
  - Reduction of administrative overhead
  - Reduced duplication of services
- Economy is driving current look at consolidating government services

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## Background - Trends

- Services that communities provide only for themselves:
  - Dispatch — 17.1 percent
  - Ambulance/EMS — 26 percent
  - Library — 27.3 percent
  - Police Patrol — 44.2 percent
  - **Fire Fighting/Rescue — 53.2 percent**
  - Parks — 68.3 percent

Source: Citizens Research Council of Michigan

## Background - Range of Possibilities



- **Cooperation** —The *association* of persons or organizations for common benefit.
- **Collaboration** —*Working together*, especially in a joint effort that is mutually beneficial to all parties.
- **Consolidation** —A *combination, merger, or unification* of two or more organizations, departments, or entities.

## Southeast Oakland County Study

### ■ Four Communities:

- Ferndale, Hazel Park, Madison Heights, Royal Oak (Pleasant Ridge and Royal Oak Township by contract)

### ■ Task force for two to three years

- Management and labor

### ■ Oakland County CCIRF project

- We were retained to facilitate the group to develop a sound business case

### ■ IAFF technical analysis was included

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## Southeast Oakland County Study

### ■ Methodology:

- Series of meetings over 6 to 8 months
- Joint management and labor committee
- Limited options based upon consensus among all parties
- Response time analysis performed by IAFF
- Determined dispatch had to be handled first
- A good first step – automatic mutual aid
- Striving for a PA 57 Authority

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## Southeast Oakland County Study

### ■ Results:

- Long term savings of 20 – 25%, NFPA 1710 compliant model
- Issued dispatch RFP for participating communities and County as initial step
- City of Royal Oak withdrew from participation
- Limited desire to move forward with automatic mutual aid without Royal Oak
- Interest and fortitude waned

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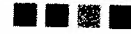
## Downriver Community Conference Study

- All 17 Downriver Communities – Original Concept
- Five Communities - Plan
  - Allen Park, Lincoln Park, Melvindale, Southgate, Wyandotte
- We were retained to facilitate the group to develop a sound business case
- Developed model that could be replicated to other communities

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## Downriver Community Conference Study



### ■ Methodology:

- Series of meetings over 4 to 6 months
- Joint management and labor committee
- Developed options based upon agreement among all parties
- Many departments were essentially skeleton crews
- Determined dispatch had to be handled as part of consolidation process

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## Downriver Community Conference Study



### ■ Results:

- 20% cost savings long term, NFPA 1710 compliant
- Dispatch has been consolidated between the communities, partially as a result of this effort
- Drafted Articles of Incorporation for creation of a PA 57 Authority
- Leadership turnover has limited progress
- Some communities lost interest due to size and complexity

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## Success Stories - Tri City Fire Dept

- Four Communities
  - West Bloomfield Township, Sylvan Lake, Orchard Lake, Keego Harbor
- Initial Planning 2000, Tri Cities contracted with West Bloomfield in 2003
- Results:
  - Improved EMS/Medical services to Tri Cities
  - Reduced response times for West Bloomfield
  - Reduced capital costs for all

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## Success Stories - NW Oakland County

- Five communities
  - Groveland Twp, Holly Twp, Holly Village, Rose Twp, Springfield Twp
- Oakland County CCIRF project
- Final presentation - early 2008
- Results to date
  - Contract between Groveland and Village of Holly to date - very successful
  - Increased collaboration & move toward Authority
  - ISO benefits to most with implementation

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## Success Stories - Oakland County CLEMIS

- Multi-jurisdictional, multi-agency centralized CAD/RMS system for a multitude of stakeholders
- Participants currently include agencies in Oakland, Macomb, Wayne, Washtenaw and Livingston Counties
- Serves over 145 police and fire agencies with the use of an integrated CAD and RMS system
- Also serves state and federal agencies, including the FBI, FIA, and MSP
- Cost + Shared Records = Value Proposition

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## Success Stories - Livingston Cty Dispatch

- Movement to a county-wide dispatch operation
- E9-1-1 dispatch operations conducive to significant economies of scale
- Consistent with local and national best practices
- Integrated with Livingston County Emergency Management
- Provides dispatch services for 9 law enforcement agencies, 11 fire departments and the county-wide emergency medical service
- Highly successful, state-of-the-art system

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## Lessons Learned

- With economic downturn – consolidation is a viable service preservation strategy
- Consolidate dispatch prior to trying to move forward with Fire
- Communities contemplating consolidation must have similar fire service and financial investment philosophy
- Legal form should follow desired function - need courting period before marriage

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## Lessons Learned

- Needs to be a "win-win" for everyone – every party needs to "gain" something
- Requires very strong leadership
- There can be ISO rating gains that offset any increased costs – taxpayer plus
- Need to be strategic about timing to involve parties impacted by consolidation
- Everyone wants to know the details due to fear of the ultimate outcome

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## In Conclusion

- We are in unprecedented times
- Most times need "external influence" to move toward consolidation
  - Monetary incentive structure
  - Continued economic downturn & distress
- Tie funding mechanisms to desired outcomes
- Consider legislation to provide incentives for collaborative behavior

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